



Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219

www.dmas.state.va.us

MEDICAID MEMO

TO: All Providers participating in the Virginia Medical Assistance Program and Managed Care Organizations providing services to Virginia Medicaid recipients

FROM: Patrick W. Finnerty, Director
Department of Medical Assistance Services

MEMO Special

DATE 8/8/2002

SUBJECT: New Virginia Medicaid Management Information System (MMIS) and HIPAA Update

The Department of Medical Assistance Services (DMAS) has previously notified you about the new Medicaid Management Information System (MMIS) that is under development. DMAS has undertaken this development effort in order to improve customer service, comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and meet future initiatives required by changes in legislative mandates and the health care delivery system. At this time, we wanted to update you on our progress and provide you with more detailed information regarding upcoming activities that will be of interest to you.

Below is an outline of several of the more significant benefits being offered by the system:

- A database architecture that will provide for enhanced flexibility and cost-effectiveness in making future modifications to the system.
- Compliance with all HIPAA-required transactions and code sets, including Accredited Standards Committee (ASC) X12N 837 version 4010 and Coordination of Benefits (COB), X12N 835 version 4010, the X12N 270/271 version 4010, the X12N 278 version 4010, the X12N 276/277 version 4010, and the NCPDP version 5.1.
- Replacement of the monthly recipient paper identification cards with permanent plastic cards. The new plastic cards will utilize swipe-card technology for immediate access to eligibility and benefit information, including prior authorization and service limits status.
- Access to eligibility and benefit information through a secure Internet connection.

- A new provider enrollment form and increased flexibility in provider addresses, allowing you to utilize different service, pay-to, mail-to, and remittance advice addresses.

DMAS is planning to implement the new MMIS system in the Summer of 2003. The new MMIS will be fully compliant with all HIPAA-required standard transactions and code sets at that time. However, since our HIPAA-compliant system is scheduled to be implemented before the extended mandatory HIPAA compliance date of October 16, 2003, DMAS will continue to accept other electronic media claims until compliance becomes mandatory.

At this time, DMAS is in the user acceptance testing phase of the project. Upon completion of this testing and based on its outcome, DMAS will make a final decision in the Fall of 2002 as to whether the new system will be ready to implement in the Summer of 2003. We will send you notification of our decision at that time.

Before the new system is implemented, DMAS will be conducting extensive provider training on the changes that impact you. You will receive provider training notices giving you details of the training to be conducted next year. In addition, DMAS will conduct four more statewide vendor shows for Medicaid-enrolled providers, their staff, and business partners. These vendor shows will provide information about the electronic eligibility verification options noted above. You will also receive vendor show meeting notices once those plans have been finalized. For your convenience, provider training notices can be viewed any time on DMAS' Learning Network at www.dmas.state.va.us/Learning_Network/dmas_learning_network.htm.

Since one of the most significant features of the new MMIS is implementation of the HIPAA standard transactions and code sets, additional information on DMAS' HIPAA initiatives follows.

Compliance Extension Request

DMAS has exercised the option to extend its compliance date to October 16, 2003. It should be noted that the new MMIS will be ready to begin HIPAA testing with external trading partners by April 16, 2003 in accordance with the terms of the one-year extension. For parties interested in filing for this extension, the Centers for Medicare & Medicaid Services (CMS) has now published the HIPAA Model Compliance Extension Form, which can be used by covered entities to request the one-year extension. The form must be submitted by October 15, 2002. The CMS website containing the extension form is www.cms.gov/hipaa/hipaa2/ASCAForm.asp.

DMAS' HIPAA Website

DMAS now has a HIPAA website available for your use. The website has been established for our enrolled providers, special interest groups, and other DMAS business associates. It provides general information regarding HIPAA and will also serve as a reference guide for provider-related information we need to convey. For up-to-date information on DMAS' HIPAA compliance initiatives, continue to check our website at www.dmas.state.va.us/HIPAA.

Third Party Certification of HIPAA Compliant Standard Transactions

DMAS has considered various options to ease the burden of testing on enrolled providers. The Workgroup for EDI (WEDI) has recommended third party certification for HIPAA compliant transactions and code sets, and DMAS has decided to follow their lead. In addition, DMAS has been soliciting the plans for certification from other Virginia payers. Accordingly, we are requiring that clearing houses, intermediaries, and providers who submit electronic transactions directly to our fiscal agent provide proof of transaction testing and certification through **Level II**, as outlined by WEDI. This certification can be through Claredi or another certifying entity. DMAS is not requiring certification for Levels III through VI, but we strongly recommend that the additional certification be obtained. DMAS is certifying its outbound transactions to Level VI through Claredi. The Attachment to this memo sets forth outbound transactions for which providers will need to be certified. This will facilitate the testing process and provide you with early notification regarding your compliance with HIPAA.

Providers conducting electronic transactions must successfully complete certification prior to full-scale, open trading partner testing, which is scheduled to begin April 16, 2003. Additional correspondence concerning testing will be forthcoming throughout the year. Additional information on Claredi certification can be found at www.claredi.com.

“HELPLINE”

The “HELPLINE” is available Monday through Friday from 8:30 a.m. to 4:30 p.m., except State holidays, to answer questions. The “HELPLINE” numbers are:

786-6273	Richmond area
1-800-552-8627	All other areas

Please remember that the “HELPLINE” is for provider use only.

Attachment

This chart sets forth provider outbound transactions for which DMAS recommends certification.

TASKS

Standard Transaction	External Specifications Sent from DMAS	Level II Certification By Provider	DMAS Open Trading Partner Testing	Eliminate Local Codes And Proprietary EOB Codes	Compliance by Date for All Transactions
837 Claims	12/16/02	6/02 - 4/03	4/15/03 - 8/15/03	10/16/03	10/16/03
835 ERA	12/16/02	N/A	4/15/03 - 8/15/03	10/16/03	10/16/03
837COB	12/16/02	6/02 - 4/03	4/15/03 - 8/15/03	10/16/03	10/16/03
276/277 Claim Inquiry/ Status	12/16/02	276 Only 6/02 - 4/03	6/15/03 - 8/15/03	10/16/03	10/16/03
270/271 Eligibility Inquiry/ Status	12/16/02	270 Only 6/02 - 4/03	6/15/03 - 8/15/03	10/16/03	10/16/03
820 HMO Payment	12/16/02	N/A	6/15/03 - 8/15/03	10/16/03	10/16/03
834 HMO Enrollment	12/16/02	N/A	6/15/03 - 8/15/03	10/16/03	10/16/03
278* Prior Authorization	12/16/02	6/02 - 4/03	6/15/03 - 8/15/03	10/16/03	10/16/03
NCPDP 5.1	12/16/02	N/A	6/15/03 - 8/15/03	10/16/03	10/16/03

*must be requested by trading partner